

The Honorable Barbara J. Rothstein

UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF WASHINGTON  
AT TACOMA

WILLIAM T. WHITMAN, individually and  
on behalf of all others similarly situated,

Plaintiffs,

vs.

STATE FARM LIFE INSURANCE  
COMPANY, an Illinois corporation,

Defendant.

NO. 3:19-cv-06025-BJR

DECLARATION OF JEFFREY  
HOLZBAUER IN SUPPORT OF STATE  
FARM'S RESPONSE TO PLAINTIFF'S  
MOTION TO SEAL

I, Jeffrey Holzbauer, declare:

1. I make this declaration of my own personal knowledge, in support of Defendant State Farm Life Insurance Company's ("Defendant" or "State Farm") Response to Plaintiff's Motion to Seal. If called upon to testify to the matters stated herein, I could and would do so competently.

2. I am State Farm's Actuarial Director with supervisory responsibilities for Life Insurance Pricing and Product Development and Actuarial Services. I have been employed by State Farm since 1998 and have held various positions within the actuarial department since then, including positions within the Life Pricing and Product Development, Life Valuation, In-Force Product Management, and Annuity Pricing and Product Development areas.

HOLZBAUER DECLARATION IN SUPPORT  
OF STATE FARM'S RESPONSE TO  
PLAINTIFF'S MOTION TO SEAL – NO. 3:19-  
cv-06025-BJR

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1           3.       As an actuary at State Farm, I am familiar with State Farm's actuarial practices  
 2 (including its trade secret and proprietary cost of insurance calculations and pricing analyses)  
 3 and State Farm's efforts to maintain the secrecy of its proprietary confidential information. In  
 4 my role, I have intimate knowledge regarding State Farm's life insurance product development,  
 5 management, and pricing. In addition, I am familiar with State Farm's litigation activities,  
 6 including the litigation related to cost of insurance.

7           4.       State Farm, an Illinois company, spent considerable time and effort developing its  
 8 cost of insurance rates and has undertaken reasonable efforts to maintain the secrecy of this  
 9 proprietary confidential information. State Farm employees sign secrecy agreements,  
 10 information is only conveyed via secure electronic messaging, and State Farm uses non-  
 11 disclosure agreements with third parties to ensure protection of its confidential, trade secret  
 12 information.

13           5.       One of the ways that State Farm is able to maintain a competitive advantage is  
 14 through development of assumptions based on the company's own experience with its insureds.  
 15 These assumptions represent analysis of multiple years of experience across a vast population of  
 16 insureds. State Farm takes care not to disclose its experience assumptions to other competitors,  
 17 as it would squander the competitive advantages that State Farm derives from the careful  
 18 analysis State Farm actuaries perform of company experience.

19           6.       State Farm evaluates its cost of insurance rates by reference to its own company  
 20 experience with expenses, commissions, withdrawals, death claims, interest return on  
 21 investments, mortality, persistency, mix of business, average sizes, tax rate, and profit objectives.  
 22 These assumptions are maintained in confidence at State Farm and the company takes care to  
 23 avoid disclosure to third parties as they are valuable and competitively sensitive.  
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7. I am familiar with the information contained in the documents Plaintiff Seeks to Seal attached to the Declaration and Report of Scott J. Witt, and the following documents reveal proprietary confidential State Farm information, including trade secrets:

- a. Exhibit E: The transcript of the November 7, 2017, deposition of State Farm employee Carl Streily in *Vogt v. State Farm Life Ins. Co.*, 16-4170-CV-C-NKL (W.D. Mo.) (“Vogt”)
- b. Exhibit F: The transcript of the December 8, 2017 deposition of State Farm employee Tony Phipps in *Vogt*
- c. Exhibit G: Actuarial Memorandum submitted to New Jersey Department of Banking and Insurance in 1994
- d. Exhibit H: Actuarial Memorandum submitted to the South Carolina Department of Insurance in 1994.
- e. Exhibit I: The transcript of the December 1, 2017 deposition of State Farm employee Jeff Holzbauer in *Vogt*
- f. Exhibit J: An October 4, 2001 internal email regarding “Mortality Assumption Documentation”
- g. Exhibit K: Actuarial memorandum for the repricing of Form 94030 in 2001
- h. Exhibit L: A February 28, 2018 declaration of Jeff Holzbauer in *Vogt*
- i. Exhibit M: The transcript of the November 30, 2017 deposition of State Farm employee Alan Hendren in *Vogt*
- j. Select portions of the Declaration and Report of Scott J. Witt, referring to State Farm’s internal cost of insurance and mortality rates

8. I am also familiar with the information contained in the documents Plaintiff Seeks to Seal (attached to the Motion for Class Certification), and the following documents reveal proprietary confidential State Farm information, including trade secrets:

- a. Exhibit 1: Plaintiff's Motion *in Limine* filed as ECF 265 in the *Vogt* litigation
- b. Exhibit 3: The November 12, 2020 Declaration and Report of Scott J. Witt in *Bally v. State Farm Life Ins. Co.*, 18-cv-04954-CRB (N.D. Cal.) ("Bally")

9. The information contained in these exhibits, and on these pages and in these paragraphs reveals proprietary confidential State Farm information related to the development of State Farm's life insurance products, including trade secret actuarial methodologies and calculations and trade secret pricing analyses.

10. State Farm has not made this information public, and this information is competitively sensitive. If this information were to be revealed to the public, State Farm's competitor insurance companies could use this information to develop competing life insurance products based on State Farm's actuarial calculations.

11. This confidential information is valuable to State Farm and it would be valuable to a competitor or potential competitor. State Farm further believes that disclosure of this information to competitors and potential competitors may cause serious economic injury to State Farm and that disclosure could place State Farm at a competitive disadvantage.

12. In addition to containing valuable, confidential, trade secret information, the deposition transcripts of Carl Streily (Ex. E), Tony Phipps (Ex. F), Jeff Holzbauer (Ex. I), and Alan Hendren (Ex. M) also contain sensitive personnel information regarding each of these employees. State Farm takes measures to protect the personnel files of its employees from

1 disclosure to the public, both to protect the employees' privacy as well as to protect the  
2 company's investments in personnel from competitors.

3 13. State Farm has taken steps to maintain this information as Confidential in all  
4 previous litigation, including in *Vogt* and in *Bally*, where State Farm sought entry of Protective  
5 Orders protecting State Farm's information and thereafter moved to maintain this information  
6 under seal in all court filings.

7 I declare under the penalty of perjury under the laws of the United States that the  
8 foregoing is true and correct.

9 Executed this 9th day of March 2021 in Bloomington, Illinois.

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11   
12 Jeffrey Holzbauer

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**CERTIFICATE OF SERVICE**

I, Joseph D. Hampton, hereby certify that on March 9, 2021, I electronically filed the following:

- **Declaration Of Jeffrey Holzbauer In Support Of State Farm's Response To Plaintiff's Motion To Seal; and**
- **Certificate of Service;**

with the Court using the CM/ECF system which will send notification of such filing to the following:

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1 Dated this 9th day of March, 2021.

2 BETTS, PATTERSON & MINES, P.S.

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By /s Kara A. Tredway  
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By /s/ Tiffany Powers (pro hac vice)

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